

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

**MORE LIBERAL METHODS OF TREATING INCOME UNDER SECTION 1902(r)(2)  
OF THE ACT\***

     Section 1902(f) State

  X   Non-Section 1902(f) State

- I. The following income method applies to children covered under Section 1902(a)(10)(A)(i)(III) of the Act, who are defined in 1905(n)(2) of the Act.

The State shall disregard \$1.00 plus the amount equal to the difference between 100 percent of the federal poverty level (as revised annually in the Federal Register) for a family the size of the Medicaid budget unit involved and the corresponding State AFDC payment standard for a family the size of the budget unit involved.

(The disregard shall be applied by using 100 percent of the FPL for the appropriate budget unit size as the income standard.)

- II. The following income method applies to Qualified Medicare Beneficiaries as defined in Section 1905(p)(1) of the Act and covered under Section 1902(a)(10)(E) of the Act and Specified Low Income Medicare Beneficiaries covered under Section 1902(a)(10)(E) of the Act.

The State shall follow SSI computation rules with the following exceptions:

- For an applicant or recipient living with a spouse, the computation rules for an eligible couple shall be followed, even when the spouse is not eligible for or applying for SSI or Medicaid benefits.
- For a couple living with a child\*\* (or children), a deduction from the combined net income of the couple shall be allowed as an allocation for each child using the methodology described in 20 CFR 416.1163(b)(1) and (2) regardless of whether the child is ineligible or eligible. The child's allocation is reduced by that child's income [20CFR 416.1161(c)], including public income-maintenance payments.

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- For an applicant/recipient not living with a spouse but living with his or her child\*\* (or children), a deduction from the individual's net income shall be allowed as an allocation for each child using the methodology described in 20 CFR 416.1163(b)(1) and (2), regardless of whether the child is ineligible or eligible. The child's allocation is reduced by that child's income [20 CFR 416.1161(c)], including public income-maintenance payments.
- For an applicant/recipient who is a child, the deemed income from an ineligible parent shall allow an allocation for both eligible and ineligible children of the parent(s) using the methodology described in 20 CFR 416.1165(b). The child's allocation is reduced by that child's income [20 CFR 416.1161(c)], including public income-maintenance payments.

\* More liberal methods may not result in exceeding gross income limitations under section 1903(f).

\*\* A child is a person, as defined in 20 CFR 416.1856, who is a natural child or adopted child of the applicant/recipient or his or her spouse.

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ADDENDUM

**State Plan Under Title XIX of the Social Security Act**

State: Arizona

**LESS RESTRICTIVE METHODS OF TREATING INCOME  
UNDER SECTION 1902(r)(2) OF THE ACT**

**X For all eligibility groups not subject to the limitations on payment explained in section 1903(f) of the Act\*: All wages paid by the Census Bureau for temporary employment related to Census 2000 activities are excluded.**

\* Less restrictive methods may not result in exceeding gross income limitations under section 1903(f).

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